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98TH CONGRESS, 1st Session } SENATE { REPORT No. 98-125

AUTHORIZATION OF APPROPRIATIONS TO THE U.S. INTERNATIONAL TRADE COMMISSION, THE U.S. CUSTOMS SERVICE, AND THE U.S. TRADE REPRESENTATIVE

MAY 17 (legislative day, MAY 16), 1983.—Ordered to be printed

Mr. DOLE, from the Committee on Finance, submitted the following

REPORT

[To accompany S. 1295]

The Committee on Finance reports an original bill (S. 1295) to authorize appropriations for fiscal year 1984 to the U.S. International Trade Commission, U.S. Trade Representative, and the U.S. Customs Service, and for other purposes, and recommends that the bill do pass.

I. SUMMARY

The committee bill would authorize fiscal year 1984 appropriations of $21,241,000 to the U.S. International Trade Commission, $611,749,000 to the U.S. Customs Service, and $12,237,000 to the Office of the U.S. Trade Representative.

II. GENERAL EXPLANATION

In order to meet the requirements of section 402(a) of the Congressional Budget Act of 1974 (31 U.S.C. 1352), the Committee on Finance reports an original bill to authorize fiscal year 1984 appropriations to the U.S. International Trade Commission [ITC], to the U.S. Customs Service, and to the Office of the U.S. Trade Representative [USTR].

AUTHORIZATION OF APPROPRIATIONS TO THE ITC (SECTION 1 OF THE BILL)

Current law

Section 330(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(1)) requires annual enactment of an authorization of appropriations for

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the ITC. Section 175 of the Trade Act of 1974 (19 U.S.C. 2232) requires that ITC estimated expenditures and proposed appropriations be included in the President's budget without revision. The ITC appropriation for fiscal year 1983 was $19,650,000 (assuming enactment of a supplemental appropriation).

Committee bill

Section 1 of the bill would authorize appropriations of $21,241,000 for fiscal year 1984, as requested by the ITC. This represents an increase of $1.591 million over the fiscal year 1983 appropriation, but the entire increase is attributable to built-in cost increases and inflation.

In recent hearings, and through an on-site visit by several members, the committee has become aware of the seriously deteriorating condition of the building housing the ITC. The committee agreed during markup of this authorization to request the Committee on Environment and Public Works to seek an early resolution of this problem.

The committee recognizes that the ITC building, which it has occupied since 1921, is in a highly unsatisfactory condition. Although significant repairs were authorized previously, the bulk of the necessary work has never been undertaken. The committee urges the General Services Administration to begin immediately the necessary repairs, especially those required to restore the roof.

The ITC performs a valuable and necessary function in advising the President and the Congress on a wide variety of trade matters. The Congress in the years ahead will require more than ever before an efficient, independent Commission. The facilities in which the Commission must operate of course contribute to the quality of advice and work provided the Congress and the executive branch. The committee therefore is committed to the purpose of providing satisfactory quarters for the Commission in, as is the case with the current building, a sound structure conveniently located to both the Congress and the executive branch agencies concerned with trade matters.

AUTHORIZATION OF APPROPRIATIONS TO THE U.S. CUSTOMS SERVICE (SECTION 2 OF THE BILL)

Current law

Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) requires annual enactment of an authorization of appropriations to the U.S. Customs Service. The Customs Service's appropriation for fiscal year 1983 (assuming enactment of supplemental appropriations for pay increases of $17,617,000) is $571,317,000.

Committee bill

The committee bill would authorize an appropriation of $611,749,000, or $33 million more than requested by the administration for fiscal year 1984. The committee bill also (*a*) requires the Service to report any significant internal reorganization to Congress at least 90 days before it is to take effect; and (*b*) requires that certain information about imports be made public.

Reasons for committee bill

The $611,749,000 authorized by the committee bill for fiscal year 1984 is an increase of approximately $40.4 million over the $571,317,000

authorized for fiscal year 1983 and $33 million more than the administration requested for fiscal year 1984.

The administration proposed significant changes, to begin in fiscal year 1984, in Customs Service operations. In general, the administration sought first to increase Customs Service operations aimed at the enforcement of the U.S. laws regarding the unlawful export of certain products and the importation of illicit drugs, and second to reduce substantially personnel devoted to Customs' traditional commercial responsibilities. The administration suggested that management efficiencies and the increased use of advanced technological equipment would prevent a curtailment in the current level of Customs Service activities.

While the committee sympathizes with these general objectives, it is premature to authorize an appropriation based solely on general objectives. The details of the budget submission did not well support the very significant operational changes the Service seeks to undertake. For example, in reply to a written request from the chairman of the committee's Trade Subcommittee and its ranking member, the Service was not able to explain in detail what effect the proposed personnel reductions would have on specific ports, districts, and regions, or on revenue collection. Furthermore, many of the programs said to replace these highly trained personnel were vague or incomplete. Finally, the basis on which some elements of the budget were prepared has changed, calling the budget estimates into question. This is the case, for example, with regard to part of the increase proposed for purchasing aircraft; after the budget was submitted, the Service arranged to procure the needed aircraft from the military services, and sought to use the money requested originally for this purpose if appropriated to pay for servicing and parts for aircraft.

Restoring the positions proposed to be cut would cost, in the aggregate, approximately $52.6 million, which the committee restored completely. The committee intends that current personnel levels would continue under the amount authorized in this bill.

The committee then reduced the administration's proposed authorization increases for the Service by $20 million to account for the lack of support for, or the demonstrated lack of need for, portions of the increases requested by the administration. The committee believes that many of the program increments recommended by the administration are worthy, particularly the struggle against illicit drugs and the attempt to upgrade the Service's electronic data processing equipment. Therefore, the committee intends that the remainder of the increase proposed by the President to be distributed most efficiently over those programs, leaving the specifics to the Commissioner in consultation with the committee. In addition, the committee agreed that $2 million of the administration's proposed increases should be spent to enforce customs laws against fraud involving trade in steel products.

The committee believes that closer supervision of the internal operations of the Service is appropriate as the Service attempts to refine its plans for reorganization and for undertaking new and different reponsibilities. Therefore, it accepted an amendment to require the Service to report to the committee and to the Ways and Means Committee of the House of Representatives, in writing, any changes in internal organization not fewer than 90 days before such changes are

scheduled to take effect. This provision is intended to require such reporting for any permanent change in the assignment of any authorized position or in the existence of any facility; for example, changing the number of import specialists at a particular port or discontinuing a regional office. This reporting provision will not interfere with management efficiency, but it will enable the committee to supervise program changes proposed by the Service more closely.

Finally, the committee adopted a provision to require the disclosure of more information than is presently available on imports. The committee is persuaded that such information will facilitate better public analysis of import trends, and allow port authorities and transportation companies, among others, more easily to identify potential customers and changes in their industry. The amendment retains sufficient protection for the business-confidential data of importing firms.

AUTHORIZATION OF APPROPRIATIONS TO THE OFFICE OF THE U.S. TRADE REPRESENTATIVE (SECTION 3 OF THE BILL)

Present law

Section 141(f) of the Trade Act of 1974 authorized appropriations to the Office of the U.S. Trade Representative in such amounts as may be necessary for the purpose of carrying out its functions for fiscal year 1976 through fiscal year 1980. Last year, the Congress renewed this authority and authorized an appropriation of $11,100,000.

Committee bill

Section 3 of the committee bill amends section 141(f)(1) of the Trade Act of 1974 to authorize appropriations to the Office of the U.S. Trade Representative of $12,237,000 for fiscal year 1984. Of such sums, an amount not to exceed $100,000 may be used for entertainment and representation expenses. Included in the total amount are sums of $200,000 for training and $140.000 for word processing equipment. The Administration requested $11,897,000.

Reasons for committee bill

The committee bill authorizes appropriations to the USTR of $12,237,000 (of which not to exceed $100,000 is for entertainment and representation expenses) for the purpose of carrying out its functions in fiscal year 1984. This amount represents an increase of $1.1 million over the amount authorized by the committee for fiscal year 1983 and represents an increase of $340,000 over the amount requested for fiscal year 1984. The committee believes these additional funds are necessary if the USTR is to perform its increasing responsibilities.

This authorization will suffice to maintain USTR's current staff level (113 permanent positions) and operations. Nevertheless, for some time the committee has been concerned that the increasing workload of the USTR—in part performed pursuant to congressional requirements or request—threatens to overcome the small resources available to accomplish it. In response to this concern, last year the Congress authorized the creation of an additional Deputy USTR and funds to increase the staff. Further, at the request of the committee, the USTR has performed a self-study directed to evaluating in what manner personnel resources might be developed to better train this

Nation's trade negotiators, and to retain a stable corps of trained people.

The USTR has submitted to the committee specific suggestions for implementing the study the committee requested. These include expanded in-house policy training programs; more intensive personnel evaluations; and increased management training. As it becomes increasingly critical to the Nation's economic well-being that effective trade policies are developed and implemented, the institution of this personnel development program is essential. The committee fully encourages this effort and includes $200,000 within the total authorized amount for this purpose. In addition, the committee has included $140,000 for word processing equipment that is essential for the agency to make its operations more efficient.

Finally, the committee believes that the $60,000 previously authorized for representation and entertainment expenses is inadequate for this necessary and important function of our trade negotiating office. This will be the case more so this year with the addition of a new Deputy USTR. The committee thus has increased the authorized level for this function to $100,000, within the overall authorized level of appropriations.

III. Vote of the Committee in Reporting the Bill

In compliance with section 133 of the Legislative Reorganization Act of 1946, the committee states that the bill was ordered reported without objection.

IV. Budgetary Impact of the Bill

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, sections 308 and 403 of the Congressional Budget Act of 1974, and paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the following statement is made relative to the cost and budgetary impact of the bill. The bill would authorize the enactment of new budget authority for fiscal year 1984 for the U.S. International Trade Commission in the amount of $21,241,000; $611,749,000 for the U.S. Customs Service; and $12,241,000 for fiscal year 1984 for the Office of the U.S. Trade Representative. The committee accepts as its estimates the report of the Congressional Budget Office under section 403 of the Congressional Budget Act, as follows:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 13, 1983.

Hon. Robert Dole,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for a bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1984.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

MAY 13, 1983.

1. Bill number: Not yet assigned.

2. Bill title: A bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1984.

3. Bill status: As ordered reported by the Senate Committee on Finance, May 12, 1983.

4. Bill purpose: This bill authorizes 1984 appropriations of no more than $21.2 million for the International Trade Commission [ITC], $611.7 million for the salaries and expenses of the U.S. Customs Service, and $12.2 million for the Office of the U.S. Trade Representative [OUSTR]. The bill also provides for public disclosure of certain import manifest information and requires that the Congress be notified 90 days in advance of any Customs Service reorganization.

The authorization level specified by the bill for the Customs Service is $40 million or 7 percent higher than 1983 appropriations for the agency to date, and $37 million or 6.4 percent higher than the President's amended 1984 budget request for the agency. The authorization levels for the ITC and OUSTR are approximately equal to the amounts requested by those agencies.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1984	1985	1986	1987	1988
Authorization level:					
ITC (function 150)	21				
Customs Service (function 750)	612				
OUSTR (function 800)	12				
Total	645				
Estimated outlays:					
ITC (function 150)	20	1			
Customs Service (function 750)	557	55			
OUSTR (function 800)	11	1			
Total	588	57			

Basis of estimate: CBO assumes that the bill will be enacted and that the full amounts authorized will be appropriated for 1984. The estimated outlays are based on historical spending patterns for the programs authorized by this bill.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: On May 4, 1983, CBO prepared a cost estimate for the House Committee on Ways and Means on H.R. 2602, a bill authorizing appropriations for the International Trade Commission [ITC], the U.S. Customs Service, and the Office of the U.S. Trade

Representative [OUSTR]. That bill authorized appropriations totaling $661 million in 1984.

9. Estimate prepared by: Charles Essick.

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

V. REGULATORY IMPACT OF THE BILL

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the committee states that the provisions of the committee bill will not regulate any individuals or businesses, will not impact on the personal privacy of individuals, and will result in no additional paperwork. The bill authorizes continued funding of three Government agencies without substantially modifying the law governing their operations.

VI. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by the bill as reported are shown below (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TARIFF ACT OF 1930

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TITLE III—SPECIAL PROVISIONS

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Part II—United States Tariff Commission

SEC. 330. ORGANIZATION OF THE COMMISSION.

(a) MEMBERSHIP.—* * *

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(e) AUTHORIZATION OF APPROPRIATIONS.—(1) For the fiscal year beginning October 1, 1976, and each fiscal year thereafter, there are authorized to be appropriated to the Commission only such sums as may hereafter be provided by law.

(2) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year [1983] *1984* not to exceed [$19,737,000] *$21,241,000*. No part of any sum that is appropriated under the authority of this paragraph may be used by the Commission for the aking of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.

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TITLE IV—ADMINISTRATIVE PROVISIONS

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Part II—Report, Entry, and Unlading of Vessels and Vehicles

SEC. 431. (a) MANIFEST—REQUIREMENT, FORM, AND CONTENTS.

The master of every vessel arriving in the United States and required to make entry shall have on board his vessel a manifest in a form to be prescribed by the Secretary of the Treasury and signed by such master under oath as to the truth of the statements therein contained. Such manifest shall contain:

First. The names of the ports or places at which the merchandise was taken on board and the ports of entry of the United States for which the same is destined, particularly describing the merchandise destined to each such port: *Provided*, That the master of any vessel laden exclusively with coal, sugar, salt, nitrates, hides, dyewoods, wool, or other merchandise in bulk consigned to one owner and arriving at a port for orders, may destine such cargo "for orders," and within fifteen days thereafter, but before the unlading of any part of the cargo such manifest may be amended by the master by designating the port or ports of discharge of such cargo, and in the event of failure to amend the manifest within the time permitted such cargo must be discharged at the port at which the vessel arrived and entered.

Second. The name, description, and build of the vessel, the true measure or tonnage thereof, the port to which such vessel belongs, and the name of the master of such vessel.

Third. A detailed account of all merchandise on board such vessel, with the marks and numbers of each package, and the number and description of the packages according to their usual name or denomination, such as barrel, keg, hogshead, case, or bag; *and the names of the shippers of such merchandise.*

Fourth. The names of the persons to whom such packages are respectively consigned in accordance with the bills of lading issued therefor, except that when such merchandise is consigned to order the manifest shall so state.

Fifth. The names of the several passengers aboard the vessel, stating whether cabin or steerage passengers, with their baggage, specifying the number and description of the pieces of baggage belonging to each, and a list of all baggage not accompanied by passengers.

Sixth. An account of the sea stores and ship's stores on board of the vessel.

(b) Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any

way in respect of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity.

(c) (1) Except as provided in subparagraph (2), the following information, when contained in such manifest, shall be available for public disclosure:

(A) The name and address of each importer or consignee and the name and address of the shipper to such importer or consignee, unless the importer or consignee has made a biennial certification, in accordance with procedures adopted by the Secretary of the Treasury, claiming confidential treatment of such information.

(B) The general character of the cargo.

(C) The number of packages and gross weight.

(D) The name of the vessel or carrier.

(E) The port of loading.

(F) The port of discharge.

(G) The country of origin of the shipment.

(2) The information listed in paragraph (1) shall not be available for public disclosure if—

(A) the Secretary of the Treasury makes an affirmative finding on a shipment-by-shipment basis that disclosure is likely to pose a threat of personal injury or property damage; or

(B) the information is exempt under the provisions of section 552(b)(1) of title 5 of the United States Code.

(3) The Secretary of the Treasury, in order to allow for the timely dissemination and publication of the information listed in paragraph (1), shall establish procedures to provide access to manifests. Such procedures shall include provisions for adequate protection against the public disclosure of information not available for public disclosure from such manifests.

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SECTION 301 OF THE CUSTOMS PROCEDURAL REFORM AND SIMPLIFICATION ACT OF 1978

TITLE III—CUSTOMS SERVICE APPROPRIATIONS AUTHORIZATION

SEC. 301. * * *

[(b) There are authorized to be appropriated to the Department of the Treasury not to exceed $564,224,000 for the salaries and expenses of the United States Customs Service for fiscal year 1983, of which not to exceed $31,464,000 is for salary and expenses for the enforcement of the alcohol and tobacco revenue laws.]

(b) There are authorized to be appropriated to the Department of the Treasury not to exceed $611,749,000 for the salaries and expenses of the United States Custom Service for fiscal year 1984, of which at least $2,000,000 shall be available for salary and expenses for the enforcement of laws relating to the importation of steel and steel products.

SECTION 141 OF THE TRADE ACT OF 1974

CHAPTER 4—OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

SEC. 141. OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATONS.

(a) * * *

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(f) (1) There are authorized to be appropriated to the Office for the purpose of carrying out its functions $12,237,000 for fiscal year 1984, of which not to exceed $100,000 may be used for entertainment and representation expenses.

[(1) There are authorized to be appropriated to the Office for the purpose of carrying out its functions $11,100,000 for fiscal year 1983; of which not to exceed $65,000 may be used for entertainment and representation expenses.**]**

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